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UNITED STATES DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA
 WESTERN DIVISION

NATHANIEL WILSON, et al.,

Plaintiffs,

vs.

THE MILL GROUP INC., et al.,

Defendants.

CASE NO.: 2:12-CV-10214-SVW-MAN

~~PROPOSED AMENDED~~ FINDINGS
 AND ORDER PRELIMINARILY
 CERTIFYING A CLASS FOR
 SETTLEMENT PURPOSES,
 PRELIMINARILY APPROVING
 PROPOSED CLASS ACTION
 SETTLEMENT, APPROVING FORM
 AND MANNER OF CLASS NOTICE,
 AND SETTING DATE FOR
 HEARING ON FINAL APPROVAL
 OF SETTLEMENT AND AWARD OF
 ATTORNEYS' FEES AND
 EXPENSES AND CASE
 CONTRIBUTION AWARDS

Date: September 9, 2013
 Time: 1:30 p.m.
 Place: Courtroom 6

1 This class action involves claims for alleged violation of the California
 2 Labor Code and the California Business and Professions Code, and for
 3 conversion. Plaintiffs seek recovery of wages and penalties from Defendants
 4 The Mill Group, Inc. dba The Mill ("the Mill") and The Churchill Benefit
 5 Corporation dba Yurcor ("Yurcor").

6 The terms of the Settlement are set out in the Second Amended Settlement
 7 Agreement, dated December 11, 2013 (the "Agreement" or "Settlement
 8 Agreement"),¹ executed by counsel on behalf of Plaintiffs and Defendants.

9 The Court has preliminarily considered the Settlement to determine,
 10 among other things, whether the Settlement is sufficient to warrant the issuance
 11 of notice to members of the Settlement Class. Upon reviewing the Settlement
 12 Agreement, it is hereby ORDERED, ADJUDGED AND DECREED as follows:

13 **1. Class Findings:** Solely for the purposes of the Settlement, the
 14 Court finds that the requirements of the Federal Rules of Civil Procedure, the
 15 United States Constitution, the Rules of the Court and any other applicable law
 16 have been met as to the Settlement Class defined below, in that:

17 (a) The Court preliminarily finds that, as required by FED. R. CIV.
 18 P. 23(a)(1), the Settlement Class is ascertainable from records kept by
 19 Defendants, and the members of the Settlement Class are so numerous that their
 20 joinder before the Court would be impracticable.

21 (b) The Court preliminarily finds that, as required by FED. R. CIV.
 22 P. 23(a)(2), there are one or more questions of fact and/or law common to the
 23 Settlement Class.

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 27 ¹ Capitalized terms not otherwise defined in this Order shall have the same
 28 meaning as ascribed to them in the Settlement Agreement.

1 (c) The Court preliminarily finds that, as required by FED. R. CIV.
2 P. 23(a)(3), the claims of the Named Plaintiffs are typical of the claims of the
3 Settlement Class.

4 (d) The Court preliminarily finds, as required by FED. R. CIV. P.
5 23(a)(4), that the Named Plaintiffs who are participants in the Plans and
6 members of the Settlement Class will fairly and adequately protect the interests
7 of the Settlement Class in that (i) the interests of the Named Plaintiffs and the
8 nature of their alleged claims are consistent with those of the members of the
9 Settlement Class, (ii) there appear to be no conflicts between Named Plaintiffs
10 and the Settlement Class, and (iii) the Named Plaintiffs and the members of the
11 Settlement Class are represented by qualified, reputable counsel who are
12 experienced in preparing and prosecuting class actions of this type.

13 (e) The Court preliminarily finds that, as required by FED. R. CIV.
14 P. 23(b)(1), the prosecution of separate actions by individual members of the
15 Settlement Class would create a risk of (i) inconsistent or varying adjudications
16 as to individual class members that would establish incompatible standards of
17 conduct for the parties opposing the claims asserted in this action, or (ii)
18 adjudications as to individual class members that would, as a practical matter, be
19 dispositive of the interests of the other members not parties to the adjudications,
20 or substantially impair or impede those persons' ability to protect their interests.

21 (f) The Court preliminarily finds that as required by FED. R. CIV.
22 P. 23(b)(3), Named Plaintiffs' claims are based on allegations that Defendants,
23 through their alleged scheme to willfully misclassify and treat Class Members as
24 independent contractors and/or unlawfully deduct "Yurcor's overhead costs"
25 (employer payroll taxes) from Class Members' wages earned as employees of
26 Defendants pose questions of law and/or fact common to class members
27 predominating over questions affecting only individual members, and that a class
28

1 action is superior to other available methods for fairly and efficiently
2 adjudicating the controversy.

3 (g) The Court preliminarily finds that, as required by FED. R. CIV.
4 P. 23(g), Class Counsel are capable of fairly and adequately representing the
5 interests of the Settlement Class, in that Class Counsel have done extensive work
6 identifying or investigating potential claims in the action, Class Counsel are
7 experienced in handling class actions and claims; Class Counsel are
8 knowledgeable of the applicable law; and Class Counsel have committed the
9 necessary resources to represent the Settlement Class.

10 **2. Class Certification** — The Court certifies the following Settlement
11 Class under FED. R. CIV. P. 23(b)(1) and FED. R. CIV. P. 23(b)(2):

12
13 All individuals who on or after September 14, 2009 and at any time up
14 to and including March 14, 2013 worked or performed and completed
15 services in California for The Mill Group, Inc. ("Mill") in the pre-
16 production, production or post-production processes of motion
17 pictures, television programs advertising, game art or other visual
18 content, as to whom The Churchill Benefit Corporation dba Yurcor
19 ("Yurcor") performed services for the Mill and/or the respective
20 individual (for example, payroll processing services, "Employer of
21 Record" services or "Yurcor's third party payroll services program").

22
23 The Court appoints the Named Plaintiffs as class representatives for the
24 Settlement Class and appoints Schwartz, Steinsapir, Dohrmann & Sommers
25 LLP, Grebow and Rubin LLP, and Stember Feinstein Doyle Payne & Kravec,
26 LLC as Class Counsel for the Plaintiffs in the Action pursuant to Fed. R.
27 Civ. P. 23(g).

1 **3. Preliminary Findings Regarding Proposed Settlement** — The
 2 Court preliminarily finds that (i) the proposed Settlement resulted from extensive
 3 arms'-length negotiations, (ii) the Settlement Agreement was executed only after
 4 Class Counsel had conducted extensive investigation into the facts and merits of
 5 their claims, (iii) Class Counsel have diligently investigated and aggressively
 6 litigated this case to be fully apprised of the strengths and weaknesses of the
 7 Named Plaintiffs' claims, and (iv) the proposed Settlement is sufficiently fair,
 8 reasonable, and adequate to warrant sending notice of the proposed Settlement to
 9 the Settlement Class.

10 **4. Fairness Hearing** — A hearing is scheduled for April 21, 2014 at
 11 (the "Fairness Hearing") to determine, among other things:

- 12 • Whether the Settlement should be finally approved as fair,
 13 reasonable and adequate;
- 14 • Whether the Action should be dismissed with prejudice pursuant to
 15 the terms of the Settlement Agreement;
- 16 • Whether the notice, summary notice and notice method proposed by
 17 the Parties (i) constitutes the best practicable notice, (ii) constitutes notice
 18 reasonably calculated, under the circumstances, to apprise members of the
 19 Settlement Class of the pendency of the litigation, their right to object to the
 20 Settlement, and their right to appear at the Fairness Hearing, (iii) are reasonable
 21 and constitute due, adequate, and sufficient notice to all persons entitled to
 22 notice, and (iv) meet all applicable requirements of the Federal Rules of Civil
 23 Procedure and any other applicable law;
- 24 • Whether Class Counsel adequately represented the Settlement Class
 25 for purposes of entering into and implementing the Settlement;
- 26 • Whether the proposed Plan of Allocation should be ordered by this
 27 Court for implementation; and

• Whether any application(s) for attorneys' fees and expenses and compensation to Named Plaintiffs is fair and reasonable and should be approved. Plaintiffs shall file their motion for final approval of the Settlement, attorney's fees, costs and case contribution awards by March 24, 2014. Further, at least ten (10) days prior to the Fairness Hearing, Class Counsel will file with the Court a supplemental declaration certifying that they have distributed the Notice in full compliance with this Order. Further, Class Counsel shall also apprise the Court of any objections that have been filed to date.

5. Settlement Class Notice — The Parties have presented to the Court a proposed form of Class Notice, appended hereto as Exhibit A. The Court finds that such form fairly and adequately (a) describes the terms and effect of the Settlement Agreement and the Plan of Allocation, (b) notifies the Settlement Class that Class Counsel will seek attorneys' fees from the Settlement Fund not to exceed 25% of the Settlement Fund plus litigation costs of approximately \$10,000, reimbursement of expenses, and compensation up to \$1,500 for each of the Named Plaintiffs, (c) gives notice to the Settlement Class of the time and place of the Fairness Hearing, and (d) describes how the recipients of the Class Notice may object to any of the relief requested. The Parties have proposed the following manner of communicating the notice to members of the Settlement Class, and the Court finds that such proposed manner is the best notice practicable under the circumstances. Accordingly, the Court directs that Class Counsel shall:

• By no later than January 14, 2014, cause the Class Notice, with such non-substantive modifications thereto as may be agreed upon by the Parties, to be mailed, by first-class mail, postage prepaid, to the last known address of each member of the Settlement Class who can be identified by reasonable effort. Individual Defendants (if it has not already done so) shall use commercially

1 reasonable efforts to assist Class Counsel in promptly obtaining the names and
 2 last known addresses of the members of the Settlement Class. The names and
 3 addresses Class Counsel obtains pursuant to this order shall be used solely for
 4 the purpose of providing notice of this Settlement and for no other purpose.

5 • By no later than January 28, 2014, cause the Class Notice to be
 6 published on each website identified in the Class Notice, which will also host
 7 copies of all Settlement-related documents, including the Settlement Agreement.

8 **6. Objections to Settlement** — Any member of the Settlement Class
 9 who wishes to object to the fairness, reasonableness or adequacy of the
 10 Settlement, to any term of the Settlement Agreement, to the Plan of Allocation,
 11 to the proposed award of attorneys' fees and expenses, or to the request for
 12 compensation for the Named Plaintiffs may file an objection. An objector must
 13 file with the Court a statement of his, her, or its objection(s), specifying the
 14 reason(s), if any, for each such objection made, including any legal support
 15 and/or evidence that such objector wishes to bring to the Court's attention or
 16 introduce in support of such objection. The objector must also mail copies of the
 17 objection and all supporting law and/or evidence to Class Counsel and counsel
 18 for the Defendants. The addresses for filing objections with the Court and
 19 service on counsel are as follows:

20 For Filing:

21 Clerk of the Court
 22 United States District Court for the Central District of California
 23 312 North Spring Street
 24 Los Angeles, CA 90012-4701
 25 (213) 894-1565

26
 27 To Named Plaintiffs Co-Lead Settlement Class Counsel:
 28

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8 To Defendant's Counsel:

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27
28

1 The objector or his, her, or its counsel (if any) must effect service of
 2 copies of the objection on counsel listed above and file it with the Court by no
 3 later than February 28, 2014. If an objector hires an attorney to represent him,
 4 her, or it for the purposes of making such objection pursuant to this paragraph,
 5 the attorney must both effect service of a notice of appearance on counsel listed
 6 above and file it with the Court by no later than February 28, 2014. Any
 7 member of the Settlement Class or other Person who does not timely file and
 8 serve a written objection complying with the terms of this paragraph shall be
 9 deemed to have waived, and shall be foreclosed from raising, any objection to
 10 the Settlement, and any untimely objection shall be barred.

11 **7. Appearance at Fairness Hearing** — Any objector who files and
 12 serves a timely, written objection in accordance with paragraph 6 above may also
 13 appear at the Fairness Hearing either in person or through counsel retained at the
 14 objector's expense. Objectors or their attorneys intending to appear at the
 15 Fairness Hearing must effect service of a notice of intention to appear setting
 16 forth, among other things, the name, address, and telephone number of the
 17 objector (and, if applicable, the name, address, and telephone number of the
 18 objector's attorney) on Class Counsel and Defendants' counsel (at the addresses
 19 set out above) and file it with the Court by no later than March 17, 2014. Any
 20 objector who does not timely file and serve a notice of intention to appear in
 21 accordance with this paragraph shall not be permitted to appear at the Fairness
 22 Hearing, except for good cause shown.

23 **8. Notice Expenses** — The expenses of printing and mailing and
 24 publishing all notices required hereby shall be paid from the Settlement Fund.

25 **9. Service of Papers** — Defendants' counsel and Class Counsel shall
 26 promptly furnish each other with copies of any and all objections that come into
 27 their possession.
 28

1 **10. Termination of Settlement** — This Order shall become null and
 2 void, and shall be without prejudice to the rights of the Parties, all of whom shall
 3 be restored to their respective positions existing immediately before this Court
 4 entered this Order as well as the Tentative Settlement entered on March 14,
 5 2013, if the Settlement is terminated in accordance with the Settlement
 6 Agreement.

7 **11. Use of Order** – This Order shall not be construed or used as an
 8 admission, concession, or declaration by or against Defendants of any finding of
 9 fiduciary status, fault, wrongdoing, breach, or liability. This Order shall not be
 10 construed or used as an admission, concession, or declaration by or against
 11 Named Plaintiffs or the Settlement Class that their claims lack merit or that the
 12 relief requested in the Action is inappropriate, improper or unavailable, or as a
 13 waiver by any party of any arguments, defenses, or claims he, she, or it may
 14 have, including, but not limited to, any objections by Defendants to class
 15 certification in the event that the Settlement Agreement is terminated.

16 **12. Jurisdiction** — The Court hereby retains jurisdiction for purposes
 17 of implementing this Settlement, and reserves the power to enter additional
 18 orders to effectuate the fair and orderly administration and consummation of the
 19 Settlement as may from time to time be appropriate and to resolve any and all
 20 disputes arising thereunder.

21 **13. Continuance of Hearing** — The Court reserves the right to
 22 continue the Fairness Hearing without further written notice.

23 SO ORDERED this 16th day of December, 2013.

24
 25 
 26 HON. STEPHEN V. WILSON
 27 UNITED STATES DISTRICT JUDGE
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